

K-12 Compensation Issues



Senate Ways and Means Committee
January 31, 2001

OUTLINE K-12 COMPENSATION ISSUES

I. How Does The State Allocate Salary Funds?

II. Salary Increase History and Initiative 732

The Largest Basic Education Program Has Five Main Budget Drivers

GENERAL APPORTIONMENT -- 2000-01 SCHOOL YEAR

K-12 FTE ENROLLMENT	947,876
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STAFFING RATIOS	Staff Per 1,000 Students	Students Per Staff
K-4 Certificated Instructional Staff	53.2	18.8
5-12 Certificated Instructional Staff	46	21.7
Certificated Administrative Staff	4.0	250
Classified Staff	16.67	60

NUMBER OF STAFF ALLOCATED	
Certificated Instructional Staff Units	46,593
Certificated Administrative Units	3,826
Classified Staff Units	15,983

AVERAGE SALARY COSTS PER STAFF	
Certificated Instructional Staff	\$42,609
Certificated Administrator	\$48,759
Classified	\$25,929

NON-SALARY COSTS (\$ for books, supplies, utilities, maintenance, etc.)	
Regular Non-Employee Related Costs per Cert. Staff	\$8,239
Vocational NERC per Certificated Staff	\$20,232

SCHOOL YEAR TOTAL	\$3.79 Billion
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AVG. ALLOCATION PER STUDENT	\$4,006
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The Way the State Allocates K-12 Salary Funds Today is Based on Past Problems and Solutions

- When the state began funding basic education in 1978, there was great disparity in salary levels among school districts.
- Initial attempts to equalize certificated staff salaries failed.
- In 1979, the legislature adopted a staff mix factor table to take account of differences in education and experience of certificated staff among districts.
- In 1981, after other measures failed, the legislature enacted legislation establishing salary controls.

A Table of Increments is Used to Account for the Experience and Education of a District's Certificated Instructional Staff

LEAP Document 1S

Table Of Staff Mix Factors For Certificated Instructional Staff

Years	ADDITIONAL EDUCATION								MA+90
of	—————▶ (Average 3.8% across columns)								OR
<u>Service</u>	<u>BA</u>	<u>BA+15</u>	<u>BA+30</u>	<u>BA+45</u>	<u>BA+90</u>	<u>BA+135</u>	<u>MA</u>	<u>MA+45</u>	<u>Ph.D.</u>
0	1.00000	1.02700	1.05497	1.08299	1.17299	1.23097	1.19892	1.28892	1.34691
1	1.01344	1.04080	1.06915	1.09846	1.18936	1.24702	1.21224	1.30313	1.36079
2	1.03628	1.06422	1.09313	1.12497	1.21652	1.27536	1.23765	1.32919	1.38800
3	1.07041	1.09920	1.12897	1.16252	1.25569	1.31710	1.27524	1.36837	1.42982
4	1.09451	1.12485	1.15511	1.19013	1.28481	1.34731	1.30175	1.39642	1.45893
5	1.11952	1.15030	1.18117	1.21847	1.31376	1.37814	1.32899	1.42428	1.48866
6	1.13397	1.16407	1.19599	1.23521	1.33001	1.39471	1.34357	1.43837	1.50307
7	1.17099	1.20182	1.23452	1.27626	1.37342	1.44061	1.38462	1.48178	1.54897
8	1.20854	1.24107	1.27454	1.31971	1.41821	1.48784	1.42807	1.52657	1.59620
9		1.28171	1.31681	1.36364	1.46443	1.53643	1.47196	1.57279	1.64479
10			1.35961	1.40982	1.51195	1.58635	1.51818	1.62031	1.69471
11				1.45734	1.56171	1.63758	1.56570	1.67007	1.74594
12				1.50336	1.61278	1.69096	1.61510	1.72114	1.79932
13					1.66511	1.74561	1.66621	1.77347	1.85397
14					1.71772	1.80234	1.71886	1.82950	1.91070
15					1.76239	1.84921	1.76353	1.87706	1.96038
16 or more					1.79765	1.88618	1.79879	1.91461	1.99959

Each District's Certificated Instructional Staff Base Salary is Specified Using a LEAP Document

LEAP Document 12E EXCERPT CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

School District		Derived Base Salaries 2000-01	Learning Improvement Days 2000-01	Total Base Salaries 2000-01
01109	Washtucna	26,052	435	26,487
01122	Benge	26,231	438	26,669
01147	Othello	26,052	435	26,487
01158	Lind	26,052	435	26,487
01160	Ritzville	26,052	435	26,487
02250	Clarkston	26,052	435	26,487
02420	Asotin-Anatone	26,052	435	26,487
03017	Kennewick	26,052	435	26,487
03050	Paterson	26,052	435	26,487
03052	Kiona-Benton City	26,052	435	26,487
03053	Finley	26,052	435	26,487
03116	Prosser	26,052	435	26,487
03400	Richland	26,052	435	26,487
04019	Manson	26,052	435	26,487
04069	Stehekin	26,052	435	26,487
04127	Entiat	26,052	435	26,487
04129	Lake Chelan	26,783	447	27,230
04222	Cashmere	26,052	435	26,487
04228	Cascade	26,052	435	26,487
04246	Wenatchee	26,198	438	26,636

Thirty-Four School Districts are Grandfathered at Higher Salary Levels

Certificated Instructional Staff Derived Base Salaries

	Base Salaries 2000-01	% Higher Than "All Other"		Base Salaries 2000-01	% Higher Than "All Other"
1 Everett	28,167	6.3%	18 Eatonville	26,697	0.8%
2 Orondo	28,113	6.1%	19 Taholah	26,676	0.7%
3 Northshore	27,951	5.5%	20 Green Mountain	26,670	0.7%
4 Marysville	27,869	5.2%	21 Benge	26,669	0.7%
5 Puyallup	27,376	3.4%	22 Darrington	26,669	0.7%
6 Vader	27,365	3.3%	23 Evaline	26,663	0.7%
7 Shaw Island	27,347	3.2%	24 Loon Lake	26,663	0.7%
8 Southside	27,241	2.8%	25 Thorp	26,641	0.6%
9 Lake Chelan	27,230	2.8%	26 Wenatchee	26,636	0.6%
10 Mukilteo	27,154	2.5%	27 Lake Washington	26,620	0.5%
11 Lopez Island	27,125	2.4%	28 Bellevue	26,559	0.3%
12 Seattle	27,017	2.0%	29 Centerville	26,552	0.2%
13 Oak Harbor	27,009	2.0%	30 Port Townsend	26,551	0.2%
14 Edmonds	26,808	1.2%	31 Sumner	26,538	0.2%
15 McCleary	26,795	1.2%	32 Kelso	26,529	0.2%
16 Eastmont	26,769	1.1%	33 Toppenish	26,510	0.1%
17 Boistfort	26,729	0.9%	34 Cosmopolis	26,509	0.1%
All Other Districts				\$26,487	

The Salary Schedule Published in the Appropriations Act Applies to 262 Out of 296 School Districts

CERTIFICATED INSTRUCTIONAL STAFF SALARY ALLOCATION SCHEDULE

For School Year 2000-01

Years of Service	Averages 3.8% Across Columns							MA+90 OR	
	<u>BA</u>	<u>BA+15</u>	<u>BA+30</u>	<u>BA+45</u>	<u>BA+90</u>	<u>BA+135</u>	<u>MA</u>	<u>MA+45</u>	<u>Ph.D.</u>
0	26,487	27,203	27,943	28,686	31,070	32,605	31,756	34,140	35,676
1	26,843	27,568	28,319	29,095	31,503	33,030	32,109	34,517	36,044
2	27,448	28,189	28,954	29,798	32,223	33,781	32,782	35,207	36,765
3	28,352	29,115	29,904	30,792	33,260	34,887	33,778	36,245	37,872
4	28,991	29,794	30,596	31,524	34,031	35,687	34,480	36,988	38,643
5	29,653	30,469	31,286	32,274	34,798	36,503	35,202	37,726	39,431
6	30,036	30,833	31,679	32,718	35,229	36,942	35,588	38,099	39,813
7	31,017	31,833	32,699	33,805	36,378	38,158	36,675	39,249	41,028
8	32,011	32,873	33,759	34,956	37,565	39,409	37,826	40,435	42,279
9		33,949	34,879	36,119	38,789	40,696	38,989	41,659	43,566
10			36,013	37,343	40,048	42,018	40,213	42,918	44,889
11				38,601	41,366	43,375	41,471	44,236	46,246
12				39,820	42,718	44,789	42,780	45,589	47,659
13					44,105	46,237	44,134	46,975	49,107
14					45,498	47,739	45,528	48,459	50,610
15					46,681	48,981	46,711	49,719	51,926
16 or more					47,615	49,960	47,645	50,713	52,964

For Formula Driven Administrative and Classified Staff, Each District Receives a Unique Salary Allocation

State Salary Allocations For Certificated Administrative and Classified Staff LEAP Document 12E (With Ranking Added)

		Certificated Administrator Allocation/FTE		Classified Allocation Per FTE		
<u>School District</u>		<u>2000-01</u>	<u>Rank</u>	<u>2000-01</u>	<u>Rank</u>	
01109	Washtucna	53,929	58	24,820	238	
01122	Benge	33,162	284	26,394	23	
01147	Othello	46,010	248	25,845	86	
01158	Lind	59,651	24	24,691	244	
01160	Ritzville	51,557	96	25,979	64	
02250	Clarkston	48,562	175	25,914	76	
02420	Asotin-Anatone	47,051	227	23,376	278	
03017	Kennewick	45,121	262	25,516	142	
03050	Paterson	47,290	222	22,534	285	
03052	Kiona-Benton City	50,741	112	25,722	106	
03053	Finley	49,618	142	25,557	133	
03116	Prosser	51,665	91	25,484	145	
03400	Richland	48,397	181	25,626	122	
04019	Manson	53,667	61	25,534	138	
04069	Stehekin	54,944	50	20,840	294	
04127	Entiat	63,394	11	25,067	216	
04129	Lake Chelan	44,487	268	26,101	46	
04222	Cashmere	57,688	32	25,891	81	
High	Skykomish	69,384	1	Seattle	29,947	1
Weighted Average		48,759		25,959	
Low	Evaline	28,467	296	Damman	19,575	296

The State's K-12 Salary Policy Differs Among Employee Groups

- Each school board is empowered to set salaries **for all employees** in conformance with RCW 28A.400.200 and salaries are subject to collective bargaining.
- Certificated administrative and classified staff salaries are subject to local control and collective bargaining.
- Salaries for certificated instructional staff are subject to specific provisions and limitations contained in RCW 28A.400.200.

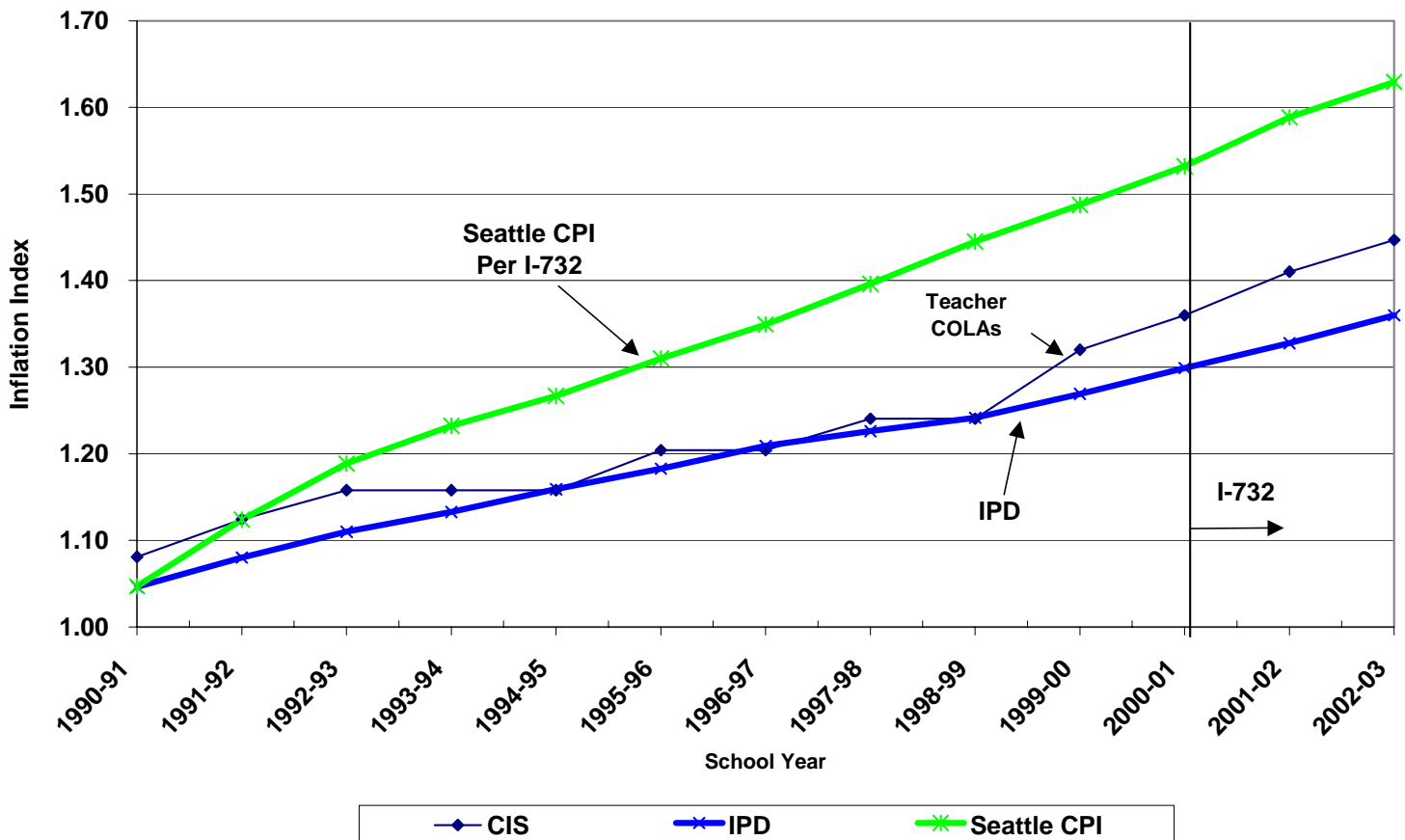
Salary Controls and Limitations For Certificated Instructional Staff – RCW 28A.400.200 (HB 166, 1981)

- The beginning teacher salary and the salary for a teacher with a master's degree and 0 years of experience cannot be less than the state salary allocation schedule.
- A district's actual average salary cannot exceed the district's average salary on the state salary allocation schedule.
- Supplemental Contracts
 - Salaries can exceed these limitations only by separate contracts for additional time, responsibility and incentives (TRI).
 - TRI contracts are locally funded and may not cause the state any present or future financial obligation.

II. Salary Increase History and Initiative 732

Certificated Instructional Staff Salary Increases Have Exceeded One Measure of Inflation but Lag Behind Another

Certificated Instructional Staff Salary Increases
School Years 1990-01 Through 2002-03



State Allocated Salary Increases Have Not Been the Same Across K-12 Employee Groups

State-Allocated Salary Increases Compared With Two Measures of Inflation, SY 1990-91 through SY 2002-03

School Year	Certificated Inst. Staff COLA & Other Salary Increases	Certificated Admin. Staff COLAs	Classified Staff COLAs	Fiscal Year Implicit Price Deflator	Calendar Yr. Seattle CPI Lagged per I-732
1990-91	8.1%		4.0%	4.7%	4.7%
1991-92	4.0%	4.0%	4.0%	3.2%	7.4%
1992-93	3.0%	3.0%	3.0%	2.8%	5.8%
1993-94		-10.0%		2.0%	3.7%
1994-95				2.3%	2.8%
1995-96	4.0%	-0.9%	4.0%	2.1%	3.4%
1996-97				2.2%	3.0%
1997-98	3.0%	3.0%	3.0%	1.4%	3.5%
1998-99				1.3%	3.5%
1999-00	6.4%	3.0%	3.0%	2.2%	2.9%
2000-01	3.0%	3.0%	3.0%	2.4%	3.0%
2001-02*	3.7%	3.7%	3.7%	2.2%	3.7%
2002-03*	2.6%	2.6%	2.6%	2.4%	2.6%
Cumulative	45%	11%	35%	36%	63%

When the state provides cost-of-living increases for state-funded staff, how are increases provided for non-state funded staff?

- Since 1981, the state has funded K-12 cost-of-living adjustments only for state-funded staff.
- State law requires salary parity between state-funded teachers and non-state funded teachers.
- For levy-funded positions, the state increases school district levy capacity to reflect cost-of-living adjustments.
- For federally funded employees, districts use federal funds to grant cost-of-living adjustments.

Initiative 732

K-12 Provisions

- Requires an annual cost-of-living adjustment (COLA) for all K-12 employees starting with the 2001-02 school year.
- The COLA is to be based on the Seattle Consumer Price Index for the previous calendar year.
- Increases under the current economic forecast:
 - 2001-02 SY: 3.7 percent
 - 2002-03 SY: 2.6 percent
- Requires a school district to distribute its cost-of-living increases in accordance with the district's salary schedules, collective bargaining agreements, and compensation policies.

Initiative 732

K-12 Provisions

What is the State's Obligation under the Initiative?

Section 2(1)(a) specifies that:

The cost-of-living increase **shall be calculated** by applying the rate of the yearly increase in the cost-of-living index to any **state-funded salary base** used in **state funding formulas** for teachers and other school district employees.

And

Beginning with the 2001-02 school year, and for each subsequent school year, **each school district shall be provided** a cost-of-living allocation sufficient to grant this cost-of-living increase for the salaries.....**of all employees of the district.**

Initiative 732 Estimated Costs

2001-03 Biennium

\$ In Millions

State-Funded Staff Cost	\$302
Local/Federal Staff Cost	\$103

Potential Issues If State-Funded Salary Increases Were Provided for Staff Not In The State-Funded Salary Base

- **Sources of salaries not in the state-funded base:**
 - Federal funds
 - Levy funds and state levy equalization funds
 - Initiative 728 funds
- **If state increases were provided for staff not in the state-funded base, it could:**
 - Create a future state basic education obligation.
 - Convert locally funded programs into partially state-funded programs and blur the distinction between basic education and discretionary programs.
 - Increase the disparity in state funding among districts depending upon the level of local revenues.